

# Senate Inquiry into the Effect of Red Tape on Childcare (Early Education and Care)

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## Submission from Early Childhood Australia

March 2018

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# 1. Introduction

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## 1.1 About us

Early Childhood Australia (ECA) has been serving the Australian community for 80 years, since our establishment in 1938. We are a federated network with Branches in each State and Territory. Together we have over 4,000 members across Australia engaged in the education and care of young children (birth to eight years).

Our vision is ‘every young child is thriving and learning’. To achieve this vision we champion the rights of young children to thrive and learn at home, in the community, within early learning settings and through the early years of school.

Our work builds the capacity of our society and the early childhood sector to realise the potential of every child during the critical early years of their development. ECA specifically acknowledges the rights of Aboriginal and Torres Strait Islander children and their families, and the past and current injustices and realities for them around Australia.

ECA’s work is informed by our commitment to children’s rights and our knowledge on early childhood development, learning and pedagogy. We have recently revised and updated the ECA Code of Ethics for the early childhood education and care sector, which is based on the principles of the United Nations Convention on the Rights of the Child.

To find out more, please visit [www.earlychildhoodaustralia.org.au](http://www.earlychildhoodaustralia.org.au).

## 1.2 Rationale

ECA welcomes the opportunity to make a submission to the Senate Inquiry into the *Effect of Red Tape on Childcare (Early Education and Care)*.

We believe that early childhood education and care (referred to as childcare in this inquiry) should be affordable for families and represent good value for public investment. To this end we have an interest in effective regulation that supports efficient administration within early childhood services. Where regulation creates red tape the benefit needs to be understood and weighed against the cost.

In order to effectively regulate early education and care it is important to understand the purpose of the services provided. Services have a dual role supporting workforce participation and amplifying children’s development. All regulation must be congruent with both purposes and there are dangers in focusing on one without keeping the other in mind. Nonetheless, the safety and wellbeing of young children must always be a paramount consideration.

## 2. Regulating for Quality Early Education

### 2.1 The value of early education for Australian children

There is now strong, irrefutable evidence that early childhood development has a lasting impact across the lifespan. Young children who experience nurturing care and high quality early learning are more likely to make a smooth transition to school, stay engaged with education and experience social and emotional wellbeing through their adult life. In addition to the benefits to children, quality early education can support families to engage or re-engage with the workforce that has economic and social benefits not only to their household but also to the Australian society as a whole.

The Australian Early Development Census (AEDC) 2016 showed that in 2015, one in five Australian children were starting school developmentally vulnerable in one or more domains of child development. Disturbingly, this number is two in five children for Aboriginal and Torres Strait Islander children, as it is for disadvantaged children. In addition, the performance of Australia's school students against international standards is falling, as indicated by results of assessments such as PISA (Programme for International Student Assessment).

A quality early education system for Australia has the potential to ensure that Australia's young children develop to their full potential and thrive in our society. Participation in high quality early learning has become increasingly important as research now points to the importance of early brain development on future academic and social emotional outcomes for children. The OECD finds consistent links between participation in pre-primary education and success in the PISA in mathematics, literacy and science; a child with no pre-primary education is 1.9 times more likely to perform poorly in education than a student who has attended more than a year of pre-primary education, even after controlling for socioeconomic status.<sup>1</sup> Investing in quality early learning is one of the most valuable investments a country can make.

As recognised in numerous OECD reports, early childhood education programs make a significant contribution to achieving educational outcomes in schools, and participation in quality early childhood education has been found to improve school readiness and lift NAPLAN results and PISA scores. Children who participate in high quality early childhood education are more likely to complete year 12 and are less likely to repeat grades or require additional support. High quality early childhood education also has broader impacts; it is linked with higher levels of employment, income and financial security, improved health outcomes and reduced crime. The PWC report '*Putting a value on early childhood education and care in Australia*' (2014) found that the benefits to GDP from children participating in quality early learning stood at more than \$10 billion cumulative to 2050<sup>2</sup>. Additionally, the benefits of increased participation of vulnerable children are estimated to be \$13.3 billion cumulative to 2050.

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<sup>1</sup> OECD (2016) Education at a glance 2016, Paris, France: OECD Publishing at 80.

<sup>2</sup> PricewaterhouseCoopers (PwC). (2014). *Putting a value on early childhood education and care in Australia*. Australia: PwC.

## 2.2 The importance of monitoring quality

Moving beyond the simple insight that early education and care matters, research also suggests that much of its benefit for children's future learning and development depends on the quality of services provided<sup>3</sup>. The OECD Report Starting Strong III identified five quality targets that can be leveraged for better child development:

1. quality goals and minimum standards
2. curriculum and learning standards
3. workforce quality
4. family and community engagement
5. data, research and monitoring

The first five years are when children develop important skills for lifelong learning, including the underlying cognitive skills required for later literacy and numeracy development, as well as social and emotional skills, such as participate in groups, cooperate and negotiate, and regulate their emotions. Early childhood educators and teachers utilise intentional teaching strategies and play-based pedagogy in rich learning environments. Early educators have a unique opportunity to identify early signs of developmental delay or social-emotional problems in order to trigger timely assessment and early intervention, ensuring that children are given the best possible opportunities for their individual needs well before they commence primary school.

The E4Kids study from Melbourne University (2017) found that there were significant positive outcomes when children participated in programs that had instructional support as well as emotional support. The OECD identifies that children who attend high quality ECEC have better outcomes later in life, and that disadvantaged children can benefit the most from attending.<sup>4</sup> Indeed the research indicates that interventions for disadvantaged children are more effective when children in in their "development window", and that intervening later is less efficient.<sup>5</sup>

Research has identified that the benefits of participation in early education were higher in disadvantaged populations (Norway, France preschool expansion studies, EPPE.) yet we also know that the quality of early education services tends to be lower in disadvantaged communities across Australia (Mitchell, 2017)

Australia's National Quality Framework (NQF) is the primary mechanism for regulating the quality of education and cares services. The NQF provides a uniform national system by which Australian early education and care (ECEC) services are measured against standards, so as to ensure children's safety, health and wellbeing, and deliver educational and developmental benefits for children. The Australian Children's Education and Care Quality Authority (ACEQA) is the independent statutory authority that guides the implementation and administration of the NQF, while state and territory governments act as the regulator in each jurisdiction.

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<sup>3</sup> OECD (2015), Starting Strong IV: Monitoring Quality in Early Childhood Education and Care, OECD Publishing, Paris

<sup>4</sup> OECD (2017) at 146

<sup>5</sup> OECD (2017) at 146

From the commencement of the NQF in January 2012 through the end of 2018, 14, 687 services had been assessed, and 94% of all services had a quality rating. At this time, 77% of services were rated as meeting or exceeding the standards.<sup>6</sup>

The National Quality Framework had delivered benefits to families and children through improved educator-child ratios, improved educators skills and qualifications, better support for learning through approved learning frameworks, and providing consistent and transparent information about service providers.

The National Quality Framework has the support of the state and territory government, but is also consistently supported by the sector and service providers. In surveys completed by service providers on regulatory burden, ACEQA reports that the support of the sector for the National Quality Framework has remained consistently high, recorded at 97% in the 2017 survey. The perceptions of regulatory burden dropped between 2013 and 2015, and while it increased in 2017, it was not as high as 2013. Specific administrative requirements continue to be associated with burden, primarily through the time taken to undertake the tasks, though for many of the tasks, the burden is offset by the benefit accrued from the requirements.<sup>7</sup>

A review of the National Quality Framework, and its enabling legislation was undertaken across 2016-2017, to ensure that the NQF was improving quality of education and care in Australia in the most efficient and effective way possible.<sup>8</sup> With the intent of reducing unnecessary administration burden for providers and educators, the review resulted in a number of changes to improve clarity, and reduce the complexity and number of standards and elements. Given that this review has only recently occurred, and that the review was undertaken through the lens of reducing administrative burden, it does not seem an appropriate time to undertake further reviews of the NQF. However, an evaluation of the reduction of administration burden should be undertaken in the future to ascertain the impact.

ECA fully supports the National Quality Framework and the benefits that it delivers to children through quality improvement in early education and care. The NQF is the best mechanism for ensuring the social, emotional, physical and developmental wellbeing of our young children in early education and care settings. We would not support any reduction of regulation in this area that would compromise the quality of services provided to children. However, ECA would support an increase in funding under the National Partnership Agreement to ensure that assessments and reviews can be undertaken at a reasonable pace so that Australian families have ongoing confidence in the regulatory framework that supports early childhood education and care.

**Recommendation 1: Maintain the National Quality Framework as the primary mechanism for ensuring the social, emotional, physical and developmental wellbeing of young children in early education and care settings.**

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<sup>6</sup> NQF Snapshot Q4 2017, A quarterly report from the Australian Children's Education and Care Quality Authority, [https://www.acecqa.gov.au/sites/default/files/2018-02/NQFSnapshotQ4\\_2017.PDF](https://www.acecqa.gov.au/sites/default/files/2018-02/NQFSnapshotQ4_2017.PDF)

<sup>7</sup> National Partnership Annual Performance Report, National Quality Agenda, <https://www.acecqa.gov.au/sites/default/files/2018-02/NationalPartnershipAnnualPerformance.pdf>

<sup>8</sup> <https://www.acecqa.gov.au/resources/research/acecqa-annual-report-2016-17/performance-of-acecqa-national-law-functions>

**Recommendation 2: Increase investment through the National Partnership Agreement on Quality in Early Education and Care to enable assessments and reviews to be undertaken in a timely way that offers confidence to Australian families.**

**Recommendation 3: Continue to evaluate the efficiency and effectiveness of Australia's approach to regulating quality within early education and care settings.**

## 3. Regulating Public Investment

### 3.1 Child Care Subsidy Reform

The Federal Government Department of Education and Training (DET) is currently implementing a new Child Care Subsidy (CCS) to replace the Child Care Benefit (CCB) and Child Care Rebate (CCR).

Early Childhood Australia supports many aspects of the government's new subsidy, specifically the additional investment in early learning, streamlining the subsidy system and improvements to inclusion support. However, the implementation of the new subsidy raises concerns about increasing administrative burden on both families and service providers. However, ECA is concerned that up to 127,000 children will miss out on the benefits of early education due to the Activity Test<sup>9</sup> and that the impact will fall heavily on families with tenuous or irregular engagement with the workforce. The new CCS will require families to regularly demonstrate that they have engaged in, or will engage in, a sufficient number of hours of prescribed activities to qualify for support to access early education and care.

ECA believes that there is a very strong case for providing all children with access to at least two days a week of early learning, regardless of their parents' workforce participation, to achieve their best development outcomes. Research indicates that two days a week of early learning is the minimum necessary to have an impact on child development outcomes, and that the benefits are significant and ongoing for children from disadvantaged backgrounds in particular.<sup>10</sup> Two days per week can also provide stability for families supporting employment preparation, searching and transition and would make the CCS system simpler for parents to navigate, especially though who are already managing complexity in regards to their employment situation.

The new scheme, rather than reduce administrative complexity for service providers, has increased complexity, through additional notifications required to government, the requirement for daily attendance data for each children entering and leaving a service, and the eligibility requirements for accessing additional child care subsidy (ACCS) for children in the service, including the new 6 week timeframe and the notification and evidence requirements. Not only is the implementation of the new scheme causing increased administrative requirements, it is also requires a significant financial investment by service providers with the need to purchase/upgrade technology and train administrative personnel. Some of this additional administrative burden will also impact on families who will need to supply addition information to apply for and maintain access to subsidies. It is not yet clear how this will occur but warrants close attention once the transition to the new system has occurred.

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<sup>9</sup> Phillips, B. (2016). *Distributional Modelling of Proposed Childcare Reforms in Australia*. ANU Centre for Social Research and Methods. Canberra. Retrieved at [http://csrcm.cass.anu.edu.au/sites/default/files/rsss/Childcare\\_reforms.pdf](http://csrcm.cass.anu.edu.au/sites/default/files/rsss/Childcare_reforms.pdf)

<sup>10</sup> Early Childhood Australia. (2014). *Evidence Brief on Two Days of Subsidised Early Childhood Education and Care for all Children*. Retrieved at <http://www.earlychildhoodaustralia.org.au/wp-content/uploads/2014/01/Evidence-Brief-on-2-days-care.pdf>



**Recommendation 5: ECA strongly urges the Australian Government to put in place adequate processes to monitor the impact of the new Child Care System on vulnerable and disadvantaged families, and to identify families that withdraw from ECEC, and the reasons why.**

**Recommendation 6: The additional administrative burden and cost on both services and families arising from the new Childcare Subsidy be monitored and assessed.**